

**COMPUTER MATCHING AGREEMENT  
BETWEEN THE SOCIAL SECURITY ADMINISTRATION  
AND  
THE U.S. DEPARTMENT OF EDUCATION**

**Match #1051**

**I. Purpose**

The purpose of this matching program is to assist the U.S. Department of Education (ED) in its obligation to ensure that applicants for student financial assistance under Title IV of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. § 1070 et seq.), satisfy eligibility requirements. This agreement establishes the terms, safeguards, and procedures under which the Social Security Administration (SSA) will provide to ED Social Security number (SSN) verification, citizenship status as recorded in SSA records, and death indicators.

**II. Legal Authority**

This agreement is executed in compliance with the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988 and the Computer Matching Privacy Protections Amendments of 1990 (Privacy Act) (5 U.S.C. § 552a), and Office of Management and Budget (OMB) guidance interpreting these Acts.

SSA's legal authority to disclose information under this agreement is section 1106 of the Social Security Act (42 U.S.C. § 1306), the regulations promulgated pursuant to that section (20 Code of Federal Regulations (C.F.R.) part 401), and the Privacy Act (5 U.S.C. § 552a(b)(3)).

ED's legal authority to enter into this computer matching agreement is section 484(p) of the HEA (20 U.S.C. § 1091(p)), which requires the Secretary of Education, in cooperation with the Commissioner of SSA, to verify SSNs submitted by students to eligible institutions, and section 484(g) of the HEA (20 U.S.C. § 1091(g)), which requires the Secretary of Education to verify the immigration status of students and authorizes the Secretary to use computer matching to accomplish this goal.

Section 483(a)(12) of the HEA (20 U.S.C. § 1090(a)(12)) also authorizes the Secretary of Education to collect the parents' SSNs for dependent students seeking financial assistance. Section 428B(f) of the HEA (20 U.S.C. § 1078-2(f)) authorizes the verification of the parents' SSNs in the same manner that SSNs are verified for students under section 484(p).

Section 7213 of the Intelligence Reform and Terrorism Prevention Act of 2004 provides SSA authority to add a death indicator to verification routines that SSA determines to be appropriate.

### **III. Definitions**

- A. “Applicant” means an applicant (and for a dependent student the applicant’s parents) for financial assistance under applicable programs administered under the authority of Title IV of the HEA (20 U.S.C. § 1070, et seq.).
- B. “Contractors and/or Agents” means a third-party entity in a contractual or similar relationship with ED or SSA pursuant to which the third-party entity acts on the respective agency's behalf to administer, or assist in administering, the program described in this agreement.
- C. “Eligible Institution” means an educational institution as defined in accordance with the HEA and 34 C.F.R. part 600.
- D. “Title IV, HEA program assistance” means the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant, the Federal Work-Study, the Federal Perkins Loan, the William D. Ford Federal Direct Loan, the Teacher Education Assistance for College and Higher Education (TEACH) Grant and the Iraq Afghanistan Service Grant programs.
- E. An “output document” is a Student Aid Report (SAR), Institutional Student Information Record (ISIR), electronic acknowledgement, or automated data generated by ED as the result of ED’s processing of a Title IV, HEA aid application.

### **IV. Responsibilities of the Parties**

#### **A. ED Responsibilities:**

- 1. ED, as the recipient agency, will disclose to SSA the SSN, first name, last name, and date of birth of individuals who are taking their first step in the application process for Title IV, HEA program assistance.
- 2. Under this agreement, ED will use Person Authentication Service (PAS) credentials (a user ID and password) only for purposes directly related to the financial assistance programs authorized under Title IV of the HEA. ED allows individuals to use their PAS credentials to access their ED accounts electronically, to file electronic applications, and electronically to sign loans and other Federal student aid documents.
- 3. ED will request SSA verification only for those individuals who, at a minimum, have initiated the application process under the HEA.
- 4. ED, as the recipient agency, will provide Congress and OMB with notice of this matching program and will publish the required notice of the re-establishment of this matching program in the Federal Register.

B. SSA Responsibilities:

1. SSA will compare ED's data with SSA data recorded in the Master Files of Social Security Number (SSN) Holders and SSN Applications (Enumeration System) 60-0058, last published on December 29, 2010 (75 Fed. Reg. 82121), July 5, 2013 (78 Fed. Reg. 40542), and February 13, 2014 (79 Fed. Reg. 8780) and send ED a coded response indicating whether the individual's name, date of birth, and SSN match a record in this database. When SSA identifies a match, SSA will provide to ED a death indicator if applicable.
2. SSA will verify SSNs and send ED a coded response confirming the citizenship status as recorded in SSA records to ensure that the individual satisfies the financial aid requirements under Title IV of the HEA.
3. SSA will verify the information only when the individual has, at a minimum, initiated the application process under the HEA.

V. **Justification and Anticipated Results**

A. Justification:

The HEA requires the Secretary of Education, in cooperation with the Commissioner of Social Security, to verify any SSN provided by an applicant and authorizes the Secretary of Education to confirm the citizenship status as recorded in SSA records and to use computer matching to accomplish this goal. Computer matching is believed to be the most efficient and comprehensive method of exchanging and processing this information.

ED anticipates that the matching program under this agreement will assist in the effective verification of the SSN and confirmation of citizenship status as recorded in SSA records of applicants to verify their eligibility for Title IV, HEA program assistance. This matching program will also enhance ED's ability to identify quickly those applicants whose records indicate that they do not have a valid SSN or proof of U.S. citizenship needed to receive disbursement of Title IV, HEA program funds, or who fraudulently attempt to receive Federal student aid. There are no other administrative activities that could be employed to accomplish the same purpose with the same degree of efficiency or accuracy.

B. Anticipated Results:

SSA derives no savings from this computer match. See Attachment 1 for the Cost Benefit Analysis, which provides a specific estimate of ED's savings and demonstrates that this matching program is likely to be cost effective. The cost benefit ratio is .0193.

## **VI. Description of Matched Records**

### **A. Systems of Records:**

SSA's system of records notice entitled "Master Files of Social Security Number (SSN) Holders and SSN Applications" (Enumeration System) 60-0058, last published on December 29, 2010 (75 Fed. Reg. 82121), July 5, 2013 (78 Fed. Reg. 40542), and February 13, 2014 (79 Fed. Reg. 8780), maintains records about each individual who has applied for and obtained an SSN. SSA uses information from the Enumeration System to assign replacement SSNs. Information provided to ED by the applicant for, or recipient of, financial aid would be matched against this system of records.

ED's system of records notice entitled "Federal Student Aid Application File" (18-11-01), last published on August 3, 2011 (76 Fed. Reg. 46774-46781), contains records on applicants' eligibility for Title IV, HEA program assistance, and ED's system of records entitled "Person Authentication Service (PAS)" (18-11-12), published on March 20, 2015 (80 Fed. Reg. 14981-14985), contains records used for identification purposes on former, current, and prospective students and parents who apply for PAS credentials, in order to apply for Title IV, HEA program assistance. These ED files will be matched against SSA's Enumeration System to assist ED in determining eligibility requirements. A positive verification (name, SSN, and date of birth submitted by ED match SSA's records) supports the continuation of the student aid application process.

Agencies must publish in the Federal Register routine uses pursuant to the Privacy Act (5 U.S.C. § 552a(b)(3) and (e)(4)(D)) for those systems of records from which they intend to disclose information for purposes of a computer match. SSA and ED have determined that their systems of records notices contain appropriate routine use disclosure authority and that the use is compatible with the purpose for which the information is collected. ED will notify the applicant in writing if it receives a "no match" response, in accordance with Article IX of this agreement.

### **B. Specified Data Elements:**

ED will transmit to SSA the data elements of SSN, first name, last name, and date of birth for each matching verification request. ED will send identifying information from applicant files via Secure File Transfer Protocol (SFTP) using encryption that meets the requirements of Federal Information Processing Standards (FIPS) publication 140-2, "Security Requirements for Cryptographic Modules." SSA will process the verification request and send a response to ED via SFTP using the FIPS-140-2 standards. If SSA verifies the data and there are multiple SSNs assigned to the individual, SSA also provides up to five SSNs. SSA will provide a "match" or "no match" response and in the case of a "no match" response, the reason for the "no match." See Attachment 2 for the EVS User Guide, which outlines the possible verification response codes and other information returned, as well as input and output file specifications.



C. Number of Records Involved:

ED projects that it will make 47.8 million verification requests annually. ED will not submit more than 250,000 verification requests per file.

D. Frequency of Matching:

ED will transmit data to SSA via a daily overnight batch process. SSA will respond via an overnight batch process.

**VII. Accuracy Assessments**

Applicants for Title IV, HEA program assistance provide ED with the personal identification data contained in the ED systems of records used in this matching program, and, therefore, a high degree of accuracy in the information is achieved. The accuracy rates of the “Federal Student Aid Application File” (18-11-01) and the “Person Authentication Service (PAS)” (18-11-12) were measured and assessed by the Production Division and Technology Office at Federal Student Aid (FSA) in February 2018 as being 96.79 percent and 95 percent, respectively.

Later in the application process, the applicant is provided written notice on the SAR to resolve any citizenship issues with the postsecondary institution by providing appropriate documentation.

The SSA Enumeration System database used for SSN matching is 100 percent accurate based on SSA’s Office of Quality Review “FY 2015 Enumeration Accuracy Report.”

Individuals applying for SSNs report their citizenship status at the time they apply for their SSNs. There is no obligation for an individual to report to SSA a change in his or her citizenship or immigration status until he or she files a claim for a Social Security benefit.

**VIII. Procedures for Individualized Notice**

ED will publish in the Federal Register a notice describing the re-establishment of this matching program, as required by the Privacy Act and implementing OMB guidance. Also, ED will submit notice of the matching program to OMB and Congress, as required by the Privacy Act and implementing OMB guidance. At the time of application, ED will ensure that each applicant for, or recipient of, applicable Title IV, HEA program assistance is provided individual notice that information provided on his or her application is subject to verification through matching programs. Every time a student requests an output document, a periodic notice of computer matching is included on the output document and provided to the student.

SSA includes notices on all applications that SSA will conduct matching programs. SSA notifies individuals who apply for an SSN on a prescribed application that SSA may use the information provided in matching programs.

Not all applicants for Title IV, HEA program assistance apply for, or are in receipt of, SSA program benefits such as Social Security retirement or disability benefits and Supplemental Security Income payments. SSA will notify all individuals who apply for, or are in receipt of, benefits that SSA will conduct computer matching. SSA will provide subsequent direct notice of computer matching to beneficiaries via annual cost of living notices.

## **IX. Verification Procedure and Opportunity to Contest**

### **A. Verification Procedures:**

ED may not suspend, terminate, reduce, or make a final denial of any financial assistance or payment under title IV of the HEA to an individual, or take other adverse action against such individual, if as a result of information produced by this matching program ED determines that the individual is ineligible for Title IV, HEA program assistance until such time as the individual is given notice of the adverse findings and the proposed adverse action based on those findings. ED will provide the individual with a description of procedures for contesting those findings in advance of the proposed adverse action and with an opportunity to provide the institution with an accurate SSN, proof of U.S. citizenship, or both. The applicant will have at least 30 days from the date of the notice to provide clear and convincing evidence of the accuracy of the applicant's SSN, proof of the applicant's U.S. citizenship, or both.

ED's notification process is highly automated and requires compression of the verification and the notice and wait procedures because individual applicants serve as the best source for verifying the matched data and it is not possible to intervene until after an output document has been issued. Indeed, OMB's "Final Guidance Interpreting the Provisions of Public Law (Pub. L) 100-503, the Computer Matching and Privacy Protection Act of 1988" anticipates such a situation when it states: "[i]t would be of dubious utility to apply the verification requirements equally to all matches and argue that a match that results in an adverse consequence of the loss of, for example, a tuition assistance payment should receive the same due process procedures as one that results in the loss of an Aid to Families with Dependent Children (AFDC) payment or Food Stamp eligibility..." 54 Fed. Reg. 25818, 25827 (June 19, 1989). This OMB guidance also recognizes that "[i]n many cases, the individual record subject is the best source for determining a finding's validity, and he or she should be contacted where practicable." *Id.* Under the matching program, individual applicant records are matched at the time the student has, at a minimum, initiated an application for Title IV, HEA program assistance.

Examples of an unsuccessful match include, but are not limited to, when an applicant's name, date of birth or reported SSN is not found, the student is not a U.S. citizen, or the SSN matches that of a deceased person in the SSA database. When an unsuccessful match occurs, ED will notify the individual and institution via email or mail, or by ED's output document such as the SAR or ISIR.

#### B. Opportunity to Contest:

Under the Privacy Act, ED may not suspend, terminate, reduce, or make a final denial of Title IV, HEA program assistance, or take other adverse action against an individual as a result of the information produced by this matching program unless the individual is provided with a notice (*e.g.*, output document as defined in Article III) stating the results of the match and such individual is given 30 days to contest the adverse match information.

Consistent with sections 483(a)(12) and 484(p) of the HEA (20 U.S.C. § 1090(a)(12) and 20 U.S.C. § 1091(p)) and implementing regulations in 34 C.F.R. § 668.36, when an applicant's data does not match with the data in the SSA Enumeration System, ED provides notification to the applicant and the institution indicating the match results and the corrective action that needs to be taken by the applicant. ED's regulations require that the institution must give the applicant at least 30 days, or until the end of the award year, whichever is later, to produce evidence of the correct SSN or resolve (including contesting) the results of the matched data (34 C.F.R. § 668.36(a)(3)).

The applicant has a period of at least 30 days to correct or contest the results of the data match. However, if the applicant's data are not corrected or successfully contested and ED determines that the applicant's data does not yield a successful match with SSA, ED will deny or terminate the applicant's eligibility for Title IV, HEA program assistance.

The FSA Handbook provides specific guidance to institutions with regard to the processing of inaccurate SSNs and claims of U.S. citizenship status that have not been confirmed through this data match.

ED understands that the only verification of an SSN that SSA provides to individuals is the Social Security card and that SSA is not the custodian of U.S. citizenship records. ED's guidance to institutions will state that:

- Students are not to be referred to SSA to resolve citizenship non-confirmation replies;
- Before referring a student to SSA to resolve an SSN discrepancy, the institution will review the input to detect transcription and keying errors and confirm the input with the student;

- Students referred to SSA to resolve SSN non-verification replies from this matching operation will not be advised to obtain any written verification of the SSN (other than a Social Security card); and
- Generally, it takes at least two weeks after the student's submission of an SSN application and supporting documents to SSA for the student to receive the Social Security card.

**X. Procedures for Retention and Timely Destruction of Identifiable Records**

- A. ED will retain all matched records received from SSA data file(s) with identifying information, in accordance with the requirements of the following Department of Education Comprehensive Records Retention and Disposition Schedules, as applicable:
1. ED Records Schedule 072 (ED 072), FSA Application, Origination, and Disbursement Records (DAA-0441-2013-0002). ED is currently in the process of preparing, and submitting for the National Archives and Records Administration's (NARA) review, amendments to ED 072. ED will not destroy records covered by ED 072 until such time as NARA approves these amendments.
  2. ED Records Schedule 278 (ED 278), FSA Person Authentication Service (PAS) Records (DAA-0441-2016-001). Applicable PAS registration and account management information, records documenting electronic signatures of ED Federal student aid applications, and records documenting electronic signatures of master promissory notes will be destroyed 75 years after the date of enumeration or when no longer needed for ED business, whichever is sooner. Applicable PAS activity logs for access to ED student financial aid systems will be destroyed 5 years after annual cut off.
- B. SSA will automatically delete the ED input records upon processing completion and transmission of output records to ED.

**XI. Records Usage, Duplication, and Redisclosure Restrictions**

- A. ED agrees to the following limitations on the access to, the disclosure of, and use of identifying information provided by SSA:
1. The file(s) provided to ED will not be duplicated or disseminated within or outside ED without the written authority of SSA, except as necessary within ED for backup to ongoing operations of the matching program and where advance notice has been provided to SSA and SSA consented to the redisclosure in writing. In any such case, ED must specify in writing which records are being redisclosed, to whom, and the reasons that justify such redisclosure. SSA will not grant such permission unless the redisclosure is required by law or is essential to

the conduct of the matching program. All redisclosures will be made consistent with the Privacy Act and applicable Privacy Act guidelines.

2. The file(s) provided to ED remain the property of SSA and will be destroyed as provided in Article X of this agreement.
  3. File(s) provided to ED will not be used to extract information concerning individuals therein for any purpose not specified by this agreement.
  4. The information provided by SSA will be used within ED only to the extent necessary to achieve the purpose of the matching program as stated herein. ED acknowledges that SSA's positive verification of an SSN only establishes that the submitted information matches the information contained in SSA's records. The verification does not, however, authenticate the identity of the individual or conclusively prove that the individual submitting the information is who he or she claims to be.
  5. ED will not use the SSA files to extract information about non-matched individuals for any purpose not specified by this agreement.
  6. ED will, in its contractual relationship with each contractor and/or agent that will have access to the information that ED obtains through this agreement, obtain the contractor's and/or agent's written agreement that it will abide by all of the use and redisclosure restrictions and security requirements in this agreement.
  7. ED will identify and provide, from its contractors and/or agents and upon request, a current list of contractors' and/or agents' employees who will have access to the information that ED obtains through this agreement. This list will contain the following items: name of contracting firm, list of the contractors' and/or agents' employees who will have access to the information, location of where the work with the information is performed, description of the work that is performed with the information, and contract period (including renewals and extensions). ED further agrees to certify, via a written communication on ED letterhead, to SSA that these contractors are acting on behalf of ED to administer or assist in administering the FSA programs. ED agrees that, upon request, its contractors and/or agents will provide a list of employees who no longer have access to the information under this agreement.
  8. ED employees and contractors and/or agents under contract with ED who access, disclose, or use the information obtained pursuant to this agreement in a manner or for a purpose not authorized by this agreement may be subject to civil and criminal sanctions contained in applicable Federal statutes.
- B. SSA agrees that the information produced by the match may be used by ED for necessary follow-up actions essential to the matching program, as well as when required by law, including to support criminal investigations or prosecutions based on

applications which may arise in this connection. All redisclosures will be made consistent with the Privacy Act and applicable Privacy Act guidelines.

C. SSA agrees to the following limitations on the access to, the disclosure of, and use of data provided by ED:

1. The data provided by ED remains the property of ED and will be destroyed by SSA as provided in Article X of this agreement.
2. The information supplied by ED will be used only for the purposes of, and to the extent necessary in, the administration of the matching program covered by this agreement.
3. Other than for the purposes of this agreement, no file will be created that consists of ED information concerning individuals.
4. The information provided by ED will not be duplicated or disseminated within or outside SSA without the written authority of ED except as necessary within SSA for backup to ongoing operations of the matching program. ED will not grant such authority unless the redisclosure is required by law or is essential to the matching program. All redisclosures will be made consistent with the Privacy Act and applicable Privacy Act guidelines.
5. Duplication will be permitted for backing up the system containing the data. All tapes are properly labeled and securely stored, in accordance with the requirements of the Federal Information Security Management Act of 2002, as amended by the Federal Information Security Modernization Act of 2014 (FISMA).
6. SSA will, in its contractual relationship with each contractor and/or agent that will have access to the information that SSA obtains through this agreement, obtain the contractor's and/or agent's written agreement that it will abide by all of the use and redisclosure restrictions and security requirements in this agreement.
7. SSA will identify and provide, from its contractors and/or agents and upon request, a current list of contractors' and/or agents' employees who will have access to the information that SSA obtains through this agreement. This list will contain the following items: name of contracting firm, list of the contractors' and/or agents' employees who will have access to the information, location of where the work with the information is performed, description of the work that is performed with the information, and contract period (including renewals and extensions). SSA further agrees to certify, via a written communication on SSA letterhead, to ED that these contractors are acting on behalf of SSA to administer or assist in administering the Social Security Act programs. SSA agrees that, upon request, its contractors and/or agents will provide a list of employees who no longer have access to the information under this agreement.



8. SSA employees and contractors and/or agents under contract with SSA who access, disclose, or use the information obtained pursuant to this agreement in a manner or for a purpose not authorized by this agreement may be subject to civil and criminal sanctions contained in applicable Federal statutes.

## **XII. Security Procedures**

SSA and ED will comply with the requirements of FISMA, 44 U.S.C. Chapter 35, Subchapter II, related OMB circulars and memoranda, such as Circular A-130, Managing Federal Information as a Strategic Resource (July 28, 2016), and OMB M 17-12, Preparing for and Responding to a Breach of Personally Identifiable Information (PII); National Institute of Standards and Technology (NIST) documents in the SP-800 series; ; and the Federal Acquisition Regulations, including any applicable amendments published after the effective date of this agreement. These laws, directives, and regulations include requirements for safeguarding Federal information systems and PII used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize and will implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this agreement.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

Specific security requirements include, but are not limited to, the following:

Data must be protected at the Moderate system certification criticality level according to Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems.

All systems involved in this matching program have a current Authorization to Operate (ATO) with the appropriate signatures.

Electronic files are encrypted using the FIPS 140-2 standard.

SSA and ED information systems reside behind a Trusted Internet Connection (TIC).

### **A. Incident Reporting:**

Upon detection of an incident related to this interconnection, the agency experiencing the incident will promptly notify the other agency's System Security Contact(s) named in this agreement. SSA also will promptly notify the FSA Central Processing System Owner's Primary Representative. PII breaches must be reported within 1 hour of detection.

If the agency experiencing the incident is unable to speak with the other agency's System Security Contact within one hour or if for some reason contacting the System Security Contact is not practicable (e.g., outside of normal business hours), then the following contact information shall be used:

SSA:

- National Network Service Center: 1-877-697-4889

ED/FSA:

- EDSOC: edsoc@ed.gov: 202-245-6550

If either SSA or ED experiences an incident involving the loss or breach of PII provided by SSA or ED under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a reportable incident under OMB guidance involving PII, the agency experiencing the event is responsible for following its established procedures, including notification to the proper organizations (e.g., United States Computer Emergency Readiness Team).

B. Breach Notification:

SSA and ED will follow PII breach notification policies and related procedures as required by OMB M 17-12. If the agency that experienced the breach determines that the risk of harm requires notification to affected individuals or other remedies, that agency will carry out these remedies without cost to the other agency.

C. Administrative Safeguards:

SSA and ED will restrict access to the data matched and to any data created by the match to only those authorized employees and officials who need it to perform their official duties in connection with the uses of the data authorized in this agreement. Further, SSA and ED will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

D. Physical Safeguards:

SSA and ED will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times. Only authorized personnel will transport the data matched and any data created by the match. SSA and ED will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards:

SSA and ED will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on the agencies' systems. SSA and ED will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policy and Procedures:

SSA and ED will adopt policies and procedures to ensure that each agency uses the information contained in their respective records or obtained from each other solely as provided in this agreement. SSA and ED will comply with these guidelines and any subsequent revisions.

G. Onsite Inspection:

SSA and ED have the right to monitor the other agency's compliance with FISMA, NIST and OMB requirements. Both agencies have the right to make onsite inspections for auditing compliance, if necessary, for the duration or any extension of this agreement. If either party elects to complete an onsite inspection, the auditing agency will provide the other advanced written notice of any onsite inspection and the parties will set a mutually agreeable date for such inspection.

**XIII. Comptroller General Access**

The Government Accountability Office (Comptroller General) may have access to all ED and SSA records, as necessary, in order to verify compliance with this agreement.

**XIV. Reimbursement**

Subject to availability of appropriations for fiscal years (FY) beyond FY 2019, ED will transfer funds to SSA to support SSA's activities under this agreement. ED will pay SSA for the full amount of costs incurred by SSA in the performance of this agreement notwithstanding the estimated costs included in the attached Cost Benefit Analysis. Transfer of funds will be by means of the Intragovernmental Payment and Collection (IPAC) system.

This agreement does not authorize SSA to incur obligations through the performance of the services described herein. Performance of such services is authorized only by execution of Forms SSA-1235 and Financial Management Service (FMS) Forms 7600A and B. Moreover, SSA may incur obligations by performing services under this agreement only on a FY (October 1 through September 30) or partial FY basis coinciding with the initial duration and the renewal of this agreement. Accordingly, executed Forms

SSA-1235 and FMS Forms 7600A and B provide authorization for SSA to perform services under this agreement in FY 2019. Since SSA's performance under this agreement spans multiple FYs, the parties will sign another SSA-1235 and FMS Forms 7600A and B on or before the commencement of each FY, which will identify reimbursable cost estimates for that FY. SSA's ability to perform work for FYs beyond FY 2019 is subject to the availability of funds.

SSA will collect funds from ED during FY 2019 through the IPAC system on a quarterly basis, sufficient to reimburse SSA for the costs it has incurred for performing services through the date of billing. A copy of the IPAC billing and all original supporting documentation will be mailed to ED at the U.S. Department of Education at Union Center Plaza, 830 First Street, NE., room 64A5, Washington, D.C. 20202, no later than five calendar days following the processing of the IPAC transaction. At least quarterly, but no later than 30 days after an accountable event, SSA will provide ED with a performance report (e.g., a billing statement) that details all work performed to date. Additionally, at least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the agreement.

Each party to this agreement will be liable for damages or loss resulting from acts and omissions of its own employees in accordance with Federal statutory authority. All information furnished to ED will be subject to the limitations and qualifications, if any, transmitted with such information. If any errors in information provided to ED or loss or destruction of data is attributable to SSA, SSA will re-perform the services after conferring with ED. Before re-performing the services, SSA will provide ED with written notification of the additional costs for the services and the reason(s) that SSA will incur the additional costs. ED will reimburse SSA for such additional costs as a part of the full costs incurred by SSA in compiling and furnishing data to ED.

## **XV. Duration and Modification of the Agreement**

### **A. Effective Date:**

The duration of this CMA is estimated to cover the 18-month period from October 10, 2018 through April 9, 2020. However, the effective date of this CMA and the date when the match may begin shall be whichever date is the latest of the following three dates: (1) the date of the last signatory to this CMA as set forth in Article XX, below; (2) at the expiration of the 30-day public comment period following ED's publication of notice of this matching program in the Federal Register, assuming that ED receives no public comments or receives public comments but makes no changes to the matching notice as a result of the public comments, or 30 days from the date on which ED publishes revisions to the matching notice in the Federal Register, assuming that ED receives public comments and revises the matching notice as a result of public comments; or (3) at the expiration of the 60-day period following ED's transmittal of a report concerning the matching program to OMB and to the appropriate Congressional Committees, along with a copy of this agreement, unless OMB waives any of the 60-day review period for

compelling reasons, in which case, 60 days minus the number of days waived by OMB from the date of ED's transmittal of the report of the matching program. If the latest date of the three dates listed above occurs on a non-business day, then that date will be counted for purposes of this paragraph as occurring on the next business date.

B. Duration:

This agreement will be in effect for an initial period of 18 months, unless it is terminated or renewed, as set forth below.

C. Renewal:

The Data Integrity Boards (DIB) of ED and SSA may, within three months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months if:

1. The matching program will be conducted without change; and
2. ED and SSA certify to their DIBs that they have conducted the matching program in compliance with the original agreement.

If either party does not want to continue this matching program, it must notify the other party of its intention not to continue at least 90 days before the end of the period of the agreement.

D. Modification:

The parties may modify this agreement at any time by a written modification, agreed to by both parties and approved by the DIB of each agency.

E. Suspension and Termination:

The parties may terminate this agreement at any time with the consent of both parties. Either party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination will be effective 90 days after the date of the notice, or at a later date specified in the notice.

If the Agreement is terminated, ED authorizes SSA to collect costs incurred prior to cancellation of the order plus any termination costs. SSA or ED may make an immediate, unilateral suspension of the data flow and/or termination of this agreement if either party:

1. Determines that there has been an unauthorized use or disclosure of information;
2. Determines that there has been a violation of or failure to follow the terms of this agreement;

3. Has reason to believe that the other party has breached the terms for security of data; or
4. Failed to make a payment under the reimbursement terms of this agreement.

If so, the parties agree that the party making the immediate, unilateral suspension of the data flow for terminating this agreement will immediately notify the other party of the factual basis for its determination or of the factual basis for its concerns of a security or non-reimbursement breach of this agreement and of the unilateral suspension of the data flow and/or the termination of this agreement. If either party suspends the data flow in accordance with this section, there will be an indefinite suspension of the agreement until a definite determination has been made regarding whether there has been a breach.

#### **XVI. Dispute Resolution**

Disputes related to this agreement will be resolved in accordance with instructions provided in the Treasury Financial Manual Volume I, Part 2, Chapter 4700, Appendix 10, *Intragovernmental Transaction Guide*.

#### **XVII. Persons to Contact**

##### **A. SSA Contacts:**

##### **Matching Agreement Issues**

Kim Cromwell, Government Information Specialist  
Office of the General Counsel  
Office of Privacy and Disclosure  
Social Security Administration  
6401 Security Boulevard, G-401 WHR  
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##### **Project Coordinator**

Rona Demb, Project Coordinator  
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### **Computer Systems Issues**

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### **Systems Security Issues**

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### **Financial Issues**

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B. ED Contacts:

**Security Issues**

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### **System's Primary Representative**

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### **Matching and Finance Contact**

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Student Experience Group  
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Telephone: (202) 377-3385  
Fax: (202) 275-0492  
Email: [marya.dennis@ed.gov](mailto:marya.dennis@ed.gov)

## **XVIII. Integration**

This agreement, including Attachments 1 and 2, and the accompanying Forms SSA-1235 and FMS Forms 7600A and B constitute the entire agreement of the parties with respect to its subject matter and supersede all other data exchange agreements between the parties that pertain to the disclosure of the specified SSA SSN and citizenship data made between SSA and ED for the purposes described in this agreement. SSA and ED have made no representations, warranties, or promises outside of this agreement. This agreement takes precedence over any other documents that may be in conflict with it.

## **XIX. Disclaimer**

SSA is not liable for any damages or loss resulting from errors in information provided to ED under this agreement. SSA is not liable for damages or loss resulting from the destruction of any materials or data provided by ED. All information furnished to ED is subject to the limitations and qualifications, if any, transmitted with such information. If, because of any such error, loss, or destruction, SSA must re-perform the services, ED will treat the additional cost as a part of the full costs incurred in compiling and furnishing such information and will pay for such additional costs.

The performance or delivery by SSA of the goods and/or services described herein and the timeliness of said delivery are authorized only to the extent that they are consistent with proper performance of the official duties and obligations of SSA and the relative importance of this request to others. If for any reason SSA delays or fails to provide services, or discontinues the services or any part thereof, SSA is not liable for any damages or loss resulting from such delay or for any such failure or discontinuance.

**XX. Authorized Signatures**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

**SOCIAL SECURITY ADMINISTRATION**



\_\_\_\_\_  
Monica Chyn  
Acting Deputy Executive Director  
Office of Privacy and Disclosure  
Office of the General Counsel

6/20/18

\_\_\_\_\_  
Date

SSA's DIB has reviewed this Agreement and approves it. In accordance with OMB's Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection Act of 1988, 54 FR 25818 (June 19, 1989), the Board also has determined that it is appropriate to compress the due process steps of verification and notice and wait into a single step.



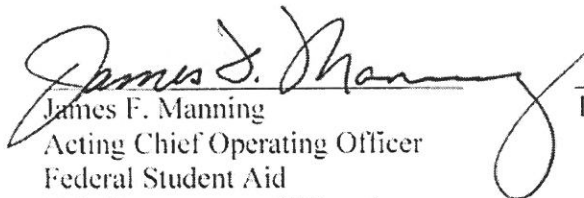
\_\_\_\_\_  
Mary Ann Zimmerman  
Acting Chair, Data Integrity Board  
Social Security Administration

07/26/18


\_\_\_\_\_  
Date

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

**U.S. DEPARTMENT OF EDUCATION**

 7/17/18  
Date  
James F. Manning  
Acting Chief Operating Officer  
Federal Student Aid  
U.S. Department of Education

ED's DIB has reviewed this Agreement and approves it. In accordance with OMB's Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection Act of 1988, 54 FR 25818 (June 19, 1989), the Board also has determined that it is appropriate to compress the due process steps of verification and notice and wait into a single step.

 7/31/18  
Date  
Angela Arrington  
Senior Agency Official for Privacy  
Chair, Data Integrity Board  
U.S. Department of Education



Attachments:

Attachment 1: Cost Benefit Analysis

Attachment 2: EVS User Guide



## **Cost/Benefit Analysis for the Match Between the U.S. Department of Education and the Social Security Administration Processing Cycle Year 2016 - 2017**

The U.S. Department of Education (ED) implemented in the 1994-1995 academic year<sup>1</sup> a direct match with the Social Security Administration (SSA) to identify students submitting incorrect or invalid Social Security numbers (SSNs) on their Free Application for Federal Student Aid (FAFSA). This match was later expanded to match the applicant's reported citizenship status and to provide an indicator of death based on SSA records. The match was subsequently expanded to confirm the validity of the SSNs of parents of dependent students.

In the 2001-2002 processing cycle, ED introduced a process for students and parents of dependent students to begin applying for Federal student assistance by requesting a Personal Identification Number (PIN) online. In May of 2015, the Person Authentication Service (PAS) credentials, a user ID and password, replaced the PIN. The PAS is used to electronically sign the FAFSA. It may also be used to access information in Federal Student Aid systems such as the National Student Loan Data System (NSLDS) and to sign documents such as Direct Loan Promissory Notes. Information from the PAS application is also sent to SSA for verification. If the PAS registrant's information does not match SSA's records, the ED-provided PAS number will immediately be disabled.

The following is an analysis of the various costs and benefits for the 2016-2017 processing cycle of performing the match between SSA and ED's student financial aid application processing system, known as the Central Processing System (CPS), and the PAS registration system. Since the student financial aid application processing cycle for any given award year is approximately 18 months in duration, this analysis seeks to estimate costs and benefits associated with a time period roughly corresponding to calendar year 2016 and the first half of calendar year 2017. ED and SSA expect the period covered by the upcoming computer matching agreement (CMA) to have similar results.

### **A. Costs**

The following sections summarize the calculations estimating the costs of performing the SSN

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<sup>1</sup> The terms "academic year" and "processing cycle" cover the same period. They are used interchangeably throughout this Cost Benefit Analysis.

match with the CPS and the PAS registration system. The estimated costs are broken out as those incurred by SSA, ED, and institutions of higher education.

## **1. SSA Costs**

SSA incurs processing and administrative costs, including SSA's staff costs (work hours, volume, and central processing unit's runtime) as a result of the SSN matches with ED. We estimate SSA costs for matching ED SSNs for the 2016-2017 processing cycle were \$23,021.

## **2. ED Costs**

To perform the matches with SSA, ED incurs costs in several areas: the cost to ED's contractor for processing the match records (creating the matching files, receiving the results of the matches from SSA, and reprocessing corrected SSNs, citizenship statuses, and death notifications) and the cost to ED for staff who administer and participate in the development of the matches.

### **a. ED Contractor Processing Costs**

#### **i. Contractor Application Processing Costs**

The 2016-2017 costs estimated for the ongoing processing of student, father, and mother SSN records sent to SSA for matching are based on processing 21,863,548 records, of which 19,652,170 were initial applications. The contractor already performs considerable activities in the normal processing of applications, and the cost of the additional requirement to send records to and receive records from SSA for the match is estimated at \$0.01 per record. Therefore, the total estimated cost of processing initial CPS application records for the match is:  $19,652,170 \times \$0.01 = \$196,522$ .

ED or the institution require some student aid applicants (or dependent student's parents) whose SSNs fail to match, or citizenship status cannot be confirmed, or for whom an erroneous death indicator was generated to update their application data in the CPS (*i.e.*, submit corrections to the SSN or citizenship status on their Student Aid Report (SAR) output document or on the FAFSA on the Web). In other cases, schools request that students update their records, even though ED does not require them to do so.

When corrections are made to an applicant's record that could impact the results of the initial SSA match, the record is sent to SSA for reprocessing. In 2016-2017, 2,211,378 correction records were sent to SSA from the CPS. For 2016-2017, the cost of processing corrections (factoring in the cost of producing a new SAR and Institutional Student Information Record (ISIR) that otherwise would not be produced had the match not existed) is estimated at \$0.08 per record. The total cost of processing CPS correction records is estimated to be  $2,211,378 \times \$0.08 = \$176,910$ .

The total CPS processing cost is the sum of processing original records plus corrections:  $\$196,522 + \$176,910 = \$373,432$ .

ii. Contractor PAS System Processing Costs

The 2016-2017 costs estimated for the ongoing processing of a PAS registration for student, father, and mother SSN records sent to SSA for matching are based on processing 25,014,289 records submitted. Again assuming a processing cost of \$0.01, similar to that of the CPS, the estimated cost of matching the PAS initial applications in 2016-2017 is:  $25,014,289 \times \$0.01 = \$250,143$ .

As with other matches performed by ED, PAS registrants whose data do not match (or otherwise provide erroneous results) have the opportunity to resubmit and correct the necessary information. 1,205,657 PAS correction records were submitted in 2016-2017.

This analysis further assumes the same cost for processing PAS corrections as that for application corrections. As a result, the cost of processing these corrections and subsequently providing the applicants with a PAS (factoring in the cost of producing a new SAR and ISIR that otherwise would not be produced had the match not existed) is estimated to be:  $1,205,657 \times 0.08 = \$96,453$ .

The estimated total processing cost for the PAS match is the sum of the cost for processing the initial match records and processing the corrections:  $\$250,143 + \$96,453 = \$346,596$ .

b. Total Contractor Processing Costs

The total estimated ED contractor processing costs for the two matches is the sum of the development cost, the cost of processing the match between SSA and the CPS and the PAS registration system:  $\$373,432 + \$346,596 = \$720,028$ .

c. ED Staff Costs

ED staff members are required to: assist in developing computer system requirements for the matching program; develop, negotiate, and clear a computer matching agreement with SSA; monitor the matches; evaluate their effectiveness; and serve as interlocutors between the two agencies. A number of ED staff are involved, but for this analysis they are “averaged” into the level of effort required by one full-time equivalent employee of General Schedule (GS) grade 13, step 5, devoting one work year to the match. The annual salary of a GS-13, step 5, for 2016 was \$104,433 (from the Office of Personnel Management’s (OPM’s) 2016 salary schedule for the Washington-Baltimore area). Next, the additional cost to ED associated with benefits, health insurance, etc., is estimated. The latest data from OPM’s Federal workforce statistics indicate that ED’s benefits pay cost is equal to 30 percent of its base salary cost. Therefore, increasing the basic salary by 30 percent results in a total personnel cost to ED of:  $\$104,433 + (\$104,433 \times 30\%) = \$135,763$ . Since the processing cycle extends for approximately 18 months, the same procedure is used to calculate the salary of a GS-13, step 5, for one-half of 2017. Since only one-half of 2017 is to be considered, one half of the annual 2017 total personnel cost is used:  $[\$107,435 + (\$107,435 \times 30\%)] \div 2 = \$69,833$ .

To estimate the total administrative cost for the entire 18 months, add the estimated 2016 calendar year personnel cost to one-half the estimated 2017 calendar year personnel cost:  
 $\$135,763 + \$69,833 = \$205,596$ .

d. Total of All ED Costs

Total costs to ED for the SSA matches are the sum of the contractor costs for processing and the administrative staff cost:  $\$720,028 + \$205,596 = \$925,624$ .

### 3. Institutions of Higher Education Costs

Institutions of higher education require each student flagged by the match between SSA and ED's CPS to provide a Social Security card indicating their correct SSN and official documentation proving their actual citizenship status (if necessary). A copy of the Social Security card and other documentation must be retained in the student's file at the school. Financial Aid Administrators (FAAs) may direct the student to submit a correction to the CPS, or the institution may make the correction to the CPS itself. Consequently, schools incur administrative costs due to the match between SSA and ED.

To calculate institutional costs, this analysis assumes that schools devote an average level of effort to match related activities equivalent to one full-time employee of grade GS-9, step 1, for performing one half hour of work per student. The hourly salary of a GS-9, step 1 for 2016 was \$25.60 (from OPM's hourly basic rates by grade and step). Next, the additional cost to ED associated with benefits, health insurance, etc., associated with this salary is used as a surrogate for the benefits for institutional employees. As noted above, the latest workforce data from OPM indicates that ED's benefits pay cost is equal to 30 percent of its base salary cost. Assuming a similar cost for schools, the basic hourly rate is increased by 30 percent, resulting in an estimated total hourly personnel cost to institutions of:  $\$25.60 + (\$25.60 \times 30\%) = \$33.28$ . The estimated cost per half hour is \$16.64 per correction.

To increase this amount to the 2017 level, the total hourly personnel cost is \$26.34. The basic hourly rate for 2017 is increased by 30 percent, resulting in an estimated total hourly cost of  $[\$26.34 + (\$26.34 \times 30\%)] = \$34.24$ . The estimated cost per half hour is \$17.12 per correction.

In the 16-17 processing year, there were 7,237,344 initial student CPS SSA matches and 751,581 corrections made to those initial applications. Assuming that 80 percent of the corrections were made by FAAs ( $751,581 \times .80$ ), FAAs made 601,265 corrections to student data.

Over the course of an 18-month application cycle, this averages to 33,404 corrections per month ( $601,265 / 18$  months). The estimated institutional cost for 2016 for one half hour of activity per applicant is  $33,404 \times 12$  months  $\times$  \$16.64, which equals \$6,670,111. The estimated institutional cost for 2017 for one half hour of activity per applicant is  $33,404 \times 6$  months  $\times$  \$17.12, which equals \$3,431,259.

The total estimated cost to institutions for 2016-2017 is \$10,101,370, (\$6,670,111 for 2016 + \$3,431,259) for 2017.

#### **4. Intangible Costs**

In addition to the measurable costs calculated above, there are intangible costs that cannot be accurately calculated and therefore are not included in the calculations estimating the costs of performing the computer matching program. The first of these costs affects a number of applicants who were identified by the match as possibly providing erroneous SSNs, or failed to match as United States citizens, or had a positive date of death, but were able to verify that the information originally submitted on their application was accurate. These students and parents of dependent students were needlessly inconvenienced by a failure in the data entry process either during the application process with ED or by erroneous records at SSA.

A second intangible cost is the further burden placed on institutions. ED currently requires institutions to perform a number of activities, such as verification, intended to reduce error, fraud and abuse when awarding aid under Title IV of the Higher Education Act of 1965, as amended (HEA). The cumulative effect of all these activities adds up to considerable effort on top of the school's normal financial aid functions of aid packaging, record keeping, etc.

#### **5. Total Costs**

The total estimated costs of the SSN and citizenship status matches between ED and SSA is the sum of the measurable costs incurred by SSA, ED, and the institutions.

SSA Costs	\$23,021
ED Costs	\$925,624
Institutional Costs	<u>\$10,101,370</u>
Total Costs	\$11,050,015

### **B. Benefits**

Although performing a match of applicants for financial aid under Title IV of the HEA has considerable tangible and intangible costs to the Federal government and institutions of higher education, and intangible costs to individuals, the opportunity for considerable benefits also exists. The quantifiable benefits come in two basic forms: cost avoidance by ED and improved collection on defaulted student loans.

#### **1. Cost Avoidance**

The CPS and PAS matches with SSA could help reduce the amount of erroneously disbursed student financial aid. By identifying discrepancies in the information provided by individuals on their FAFSAs or in their PAS applications, some individuals who otherwise would have received Federal student aid would be deterred or prevented from seeking and receiving some of the



almost \$134 billion in Federal student aid that was available in processing cycle 2016-2017.

Two forms of cost avoidance can be identified. The match between SSA and ED's CPS could reduce the amount of Federal student aid disbursed to ineligible applicants, and the match between SSA and the ED PAS registration system could reduce the amount of Parent Loan for Undergraduate Students (PLUS) loans awarded to parents.

a. Savings from the CPS Match

By matching the SSNs, citizenship statuses, and the death indicator of applicants under Title IV of the HEA to SSA records, ED can identify students who attempt to receive student aid by use of false SSNs or citizenship statuses. Thus, the government can avoid disbursing aid funds to individuals who would otherwise receive aid had the match with SSA not existed. For the 2016-2017 application cycle, 7,237,344 student CPS records were submitted to SSA for matching. Of these student records, 113,942 did not match on their first transaction, but 31,589 matched as of their last transaction, leaving 82,353 ( $113,942 - 31,589$ ) students who were prevented from participating in Federal student aid because they have no match with SSA.

Had these students been eligible, it is reasonable to assume that virtually all of them would have exhibited financial need, enrolled at a school, and received some form of Federal student aid. Some students, however, do not receive Federal student aid for any number of reasons (*e.g.*, they do not enroll in higher education at all, enroll in ineligible institutions, or enroll in ineligible programs). To adjust the estimated number of students who did not match as of their last transaction to account for this “show up” rate, we used the rate observed in the Federal Pell Grant program. The Pell Grant show-up rate remains fairly constant from year-to-year and is estimated at 68.5 percent for 2016-2017. Applying this rate to the number of SSA match applicants who did not match as of their last transaction yields an estimated total of 56,412 students who would otherwise have received some form of Federal aid: ( $82,353 \times 68.5\%$ ). While these estimated 56,412 students could have otherwise received some form of Federal student aid, this analysis will focus on Pell Grant recipients for estimating savings from aid not disbursed as discussed below.

Estimates from FSA's Common Origination and Disbursement System (COD) system shows the average amount of Federal Pell Grant received by all recipient types for 2016-2017 is \$3,296 and the Pell Grant eligibility rate for 2016-2017 is 67.9 percent. Based on these figures, the estimated amount of Federal Pell Grants not disbursed in the 2016-2017 processing year is \$126,249,153 ( $56,412 \times 67.9\% \times \$3,296$ ). In addition to savings within the Federal Pell Grant program, there is likely to be an effect on Federal outlays within the Federal student loan programs depending on the mix of and amount of loans taken by those SSA match applicants who neither correct nor verify and the extent to which they would repay loans in the expected pattern of the overall borrower population. Because we do not have information on the likelihood of these applicants to take out loans, the mix and amount of loans they would borrow, and the repayment pattern of these potential borrowers, we have not quantified the effect on Federal Loan programs. Therefore, the total estimated amount of Federal student aid *not* disbursed in 2016-2017 from the Federal Pell Grant program as a result of the CPS match with

SSA is \$126,249,153.

**b. Savings From ED PAS Registration System Match**

Individuals could potentially use false information provided in the ED PAS registration process to fraudulently obtain a PLUS loan. This analysis assumes that the proportion of parents represented in the ED PAS match who receive PLUS loans is similar to the proportion of PLUS loan borrowers in the overall dependent student aid applicant population. Consequently, approximately 9.16 percent (approximately 980,265 PLUS loan borrowers in the 2016-2017 processing cycle divided by 10,705,521 dependent applicants, as estimated by ED's Budget Service) of the parents registering in the ED PAS system received PLUS loans.

In the 2016-2017 processing year, 9,875,784 student ED PAS registration records were sent to SSA for matching, and 9,326,101 student ED PAS accounts were created. Therefore, 549,683 (9,875,784 - 9,326,101) records were sent to SSA to correct student data. If we assume that one correction was submitted per student, and that 50% of the corrections resulted in a positive SSA match, we could also estimate that 274,842 (549,683 x .50%) students were unsuccessful in correcting their data, and were therefore ineligible to receive Title IV, HEA funds. The 9.16 percent rate of PLUS loan borrowers to dependent applicants is then applied to the ED PAS registrants who did not match with SSA and who did *not* correct their data:  $274,842 \times .0916 = 25,176$ . The result is an estimated number of ED PAS registrants who would have received PLUS loans had they not failed to match with SSA. If these 25,176 individuals received the typical average PLUS loan amount (stated by ED's Budget Service for the President's Fiscal Year (FY) 2016 Budget as \$12,663 in the 2016-2017 processing cycle) and we assume these borrowers represent cases of fraud and would not repay the loans, the estimated amount saved by not awarding PLUS loans to these individuals is:  $25,176 \times \$12,663 = \$318,803,688$ .

The total estimated savings due to cost avoidance is the sum of the savings from Federal student aid programs in general and savings to the PLUS loan program:  $\$126,249,153 + \$318,803,688 = \$445,052,841$ .

**2. Improved Loan Collection**

A match of SSNs with the SSA may also present the opportunity for ED and guaranty agencies to improve their collection efforts on defaulted loans. A match of SSNs improves the accuracy of the SSNs used in all the Title IV, HEA data systems (primarily NSLDS) to track student loan defaulters through the Internal Revenue Service, credit bureaus, employment records, etc.

ED's Budget Service, in the President's FY 2017 Budget, states that approximately \$9,623,943,000 was collected on defaulted Federal Family Education Loan Program loans by ED and guaranty agencies in FY 2017. Similarly, \$3,197,461,000 was collected on Federal Direct Student Loan Program loans in FY 2017. Total collections on defaulted loans in FY 2017 were therefore:  $\$9,623,943,000 + \$3,197,461,000 = \$12,821,404,000$ .

In this analysis we assume that the improved SSNs collected as a result of the match with SSA enhances the ability to track students by 1 percent and that this improved tracking leads to increased collections from those students. If we assume that the 1 percent improvement in tracking results in 1 percent of collections being attributable to the SSA match, a maximum of \$128,214,040 in collections on defaulted loans could be considered a benefit of the SSA match ( $\$12,821,404,000 \times 1\% = \$128,214,040$ ).

### 3. Intangible Benefits

The matches between SSA and ED may have a deterrent effect for those who intended to apply for HEA title IV aid or for a PAS using fraudulent SSNs or citizenship statuses. Knowing that their information will be shared with SSA may deter some individuals from ever submitting their applications.

### 4. Total Benefits

The total estimated measurable benefits of the SSN and citizenship status matches are the sum of the costs avoided plus the defaulted student loan amounts collected due to more accurate SSNs is:

Cost Avoidance:	\$445,052,841
Improved Loan Collection:	+ <u>\$128,214,040</u>
Total Benefits:	\$573,266,881

### C. Cost/Benefit Ratio

The ratio of total costs to total benefits is the sum of measurable costs divided by the sum of measurable benefits:

Total Costs	\$11,050,015
Total Benefits	÷ <u>\$573,266,881</u>
Cost to Benefit Ratio	.0193*

\* When the amount of the total benefits are divided by the amount of the costs the ratio is 51.88. In other words, for every \$1 of cost, the benefit equals \$51.88.

# **ENUMERATION VERIFICATION SYSTEM (EVS)**

## **USER GUIDE**

**FOR FEDERAL/STATE AGENCIES with REINBURSABLE AGREEMENT**

**WITH SSN MATCH/MULTIPLE SSNs**

**Processing Code 212-RS**

Social Security Administration  
DCS-OEEAS-DIVES,  
3107-3D2 OPS  
6401 Security Boulevard  
Baltimore, Maryland 21235-0001

Revised: 11/04/14

## Table of Contents

<b>TABLE OF CONTENTS</b>	<b>2</b>
<b>INTRODUCTION</b>	<b>3</b>
<b>INPUT FOR ELECTRONIC FILES</b>	<b>5</b>
SPECIFICATIONS	5
INPUT RECORD LAYOUT	6
<b>OUTPUT FOR ELECTRONIC FILES</b>	<b>7</b>
SPECIFICATIONS	7
OUTPUT RECORD LAYOUT	8
<b>WHAT TO DO IF THE SSN IS NOT VERIFIED</b>	<b>10</b>
<b>FEDERAL PRIVACY ACT STATEMENT</b>	<b>11</b>
<b>CHANGE HISTORY</b>	<b>12</b>

## Introduction

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The purpose of the Enumeration Verification System (EVS) is to verify that the Social Security Number, name, and date of birth submitted match the records at SSA. This system also provides information on the failure of a particular data element (i.e., name, date of birth) and a death indicator to indicate whether death information is present on SSA's records. **SSA does not guarantee the accuracy of its information.**

Any information that an agency receives from records maintained by SSA is governed by the Federal Privacy Act, 5 USC 552a(i). Under this Act, persons who obtain information under false pretenses, or uses this information for a purpose other than that for which it was requested, may be punished by the penalty of a fine, imprisonment or both.

If your agency desires to use EVS, you must:

1. Send a letter to SSA requesting the use of EVS. This letter must be written on your agency's letterhead stationery. The letter must be signed by a manager or authorized official of the agency. The title of the signer must follow the signature. In the letter, also:
  - State exactly the **type** of individuals for whom you wish to verify SSNs (i.e., foodstamp recipients).
  - State the **number of individuals** for which you wish to verify SSNs. SSA requests that each batch sent to SSA be limited to a **maximum of 250,000** records.
  - Show the address for SSA to send you **correspondence**. The address of the agency must include a number, street (**NOT P.O. Box**), city, state and zip code.
  - Provide the **name** and **telephone number** of a **person to contact** if SSA has questions or problems with the data file your agency submits for EVS processing. Also include, if applicable, the e-mail address and fax number.
  - Show the agency name and complete address including street and zip code for the street (**not P.O. Box/zip**) for SSA to send your response output files.

ALSO, send along with the letter the **Privacy Statement** (Appendix A) signed by an officer or manager of your agency.

**Send your letter and Privacy Statement to:**

Social Security Administration  
DCS-OEEAS-DIVES,  
3107-3D2 OPS  
6401 Security Boulevard  
Baltimore, Maryland 21235-0001

2. Prior to our processing your workload, you must first sign a Legal Agreement that SSA will send you.

When SSA receives the signed agreement and the Privacy Statement, we will send you your activated EVS **Requester Identification Code**. This four-character code enables you to use the EVS and it must be used on your input files.

**If you have questions, please call (410) 965-5339.**

**NOTE:** You must separately send to the SSA address above any changes in your address or contact information, or you may call the number shown above.



## Input for Electronic Files

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### ***Specifications***

For the **INPUT** electronic files that you send to SSA, use the following specifications:

RECORDING CODE	EBCDIC
FIXED LENGTH RECORD	130 Characters
BLOCKING FACTOR	200
FIXED BLOCK SIZE	26,000 characters
DATA	Unpacked (the user control data field may be packed)

## ***Input Record Layout***

<b>Record Location</b>	<b>Field Name</b>	<b>Field Size</b>	<b>Field Type</b>	<b>Must Fill*</b>
1-9	SOCIAL SECURITY NUMBER <sup>1</sup>	9	N	YES
10-12	ENTRY CODE- <b>TPV</b>	3	A	YES
13-15	PROCESSING CODE- <b>212</b>	3	N	YES
16-28	LAST NAME <sup>2</sup>	13	A	YES
29-38	FIRST NAME <sup>3</sup>	10	A	YES
39-45	MIDDLE NAME/INITIAL	7	A	NO
46-53	DATE OF BIRTH (MMDDCCYY) <sup>4</sup>	8	N	NO
54	GENDER CODE ( <b>M</b> =MALE, <b>F</b> =FEMALE, <b>U</b> =UNKNOWN)	1	A	NO
55-74	CONTROL INFORMATON	20	A/N	NO
75-103	ADDITIONAL CONTROL INFORMATION	29	A/N	NO
104-123	FILLER (DO NOT ENTER ANY DATA)	20	--	NO
124-127	REQUESTER IDENTIFICATION CODE <sup>5</sup>	4	A/N	YES
128-130	BLANKS, OR MULTIPLE REQUEST ID <sup>6</sup>	3	A/N	NO

*\*If a MUST FILL field does not contain an entry, the item will be dropped from processing and not returned to the requestor.*

<sup>1</sup> Must contain 9 digits; if SSN is unknown, enter all zeroes. The record will automatically be a not-verified record.

<sup>2</sup> Delete all hyphens, apostrophes, blanks, periods and suffixes (e.g., Jr., III) before completing the last name field. Must contain at least 1 character.

<sup>3</sup> If a person has only a single name, enter 'UNKNOWN' in the FIRST NAME field. Enter the name in the LAST NAME field.

<sup>4</sup> If date of birth is unknown, leave blank. Do not enter invalid characters in this field- in the verification routine, the date of birth is disregarded when non-numeric characters are present.

<sup>5</sup> Must enter your four-position alpha/numeric code that was assigned to you by SSA during registration.

<sup>6</sup> If sending in more than 1 file on same day, you may wish to use this space to enter your own different control identification number for each multiple request file.

## Output for Electronic Files

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### ***Specifications***

For the **OUTPUT** information that SSA returns to you, we use the following specifications:

RECORDING CODE	EBCDIC
FIXED LENGTH RECORD	160 Characters
BLOCKING FACTOR	200
FIXED BLOCK SIZE	32,000 characters
DATA	Unpacked

## Output Record Layout

Record Location	Field Name	Field Size	Field Type
1-9	SOCIAL SECURITY NUMBER <sup>1</sup>	9	N
10-22	LAST NAME <sup>1</sup>	13	A
23-32	FIRST NAME <sup>1</sup>	10	A
33-39	MITTLE NAME/INITIAL <sup>1</sup>	7	A
40-47	DATE OF BIRTH (MMDDCCYY) <sup>1</sup>	8	N
48	GENDER CODE (M=MALE, F=FEMALE, U=UNKNOWN) <sup>1</sup>	1	A
49-68	CONTROL INFORMATION <sup>1</sup>	20	A/N
69-97	ADDITIONAL CONTROL DATA <sup>1</sup>	29	A/N
98	VERIFICATION CODE <sup>2</sup>	1	A/N
99-101	PROCESSING CODE = 212 <sup>1</sup>	3	N
102-105	REQUESTER IDENTIFICATION CODE <sup>1</sup>	4	A/N
106-108	MULTIPLE REQUEST CODE <sup>1</sup>	3	N
109	DEATH INDICATOR <sup>3</sup>	1	A
110	FILLER/BLANK	1	--
111	CITIZENSHIP CODE <sup>4</sup>	1	A/N
112-119	DATE OF DEATH <sup>5</sup>	8	A/N
120-121	SOURCE OF DEATH CODE <sup>6</sup>	2	A/N
122-160	MULTIPLE SSNs (UP TO 5) <sup>7</sup>	39	N

<sup>1</sup> Date on the OUTPUT file is identical to input data, even if verification occurred using name and/or date of birth (DOB) tolerances.

### <sup>2</sup> Verification Code

Blank	Verification input data matched SSA's records
1	SSN not in file (never issued to anyone)
2	Gender code does not match; other verification input data matches
3	DOB does not match; other verification input data matches
4	Name matches, DOB and gender code do not match
5	Name not matched
6	SSN not verified; other reason

<sup>3</sup> Death Indicator (indicator is present only when record verifies).

Y	Death information is present
N	Death information is not present

Blank	Death information not checked
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<sup>4</sup> **Citizenship Code** as shown on SSA records: (data is only present when verification code = blank)

Blank	Citizenship code not available because record established before SSA captured data
*	Citizenship code is not present, but individual was foreign born
A	U.S. citizen
B	Legal alien, eligible to work
C	Legal alien, not eligible to work
D	Other
E	Alien Student- restricted work authorized
F	Conditionally legalized alien

<sup>5</sup> **Date of Death** (data is only present when verification code = blank)

<sup>6</sup> **Source of Death Code** (data is only present when verification code = blank)

Blank	Default
70	SSA-704 (SSA has not seen death certificate, but has other proofs)
72	SSA-721 (SSA has seen death certificate)
BX	Bendex
CS	Civil Service
DD	Department of Defense
DL	Department of Labor
FO	SSA Field Office
HC	CMS (formerly HCFA) Insured
HI	CMS (formerly HCFA) Uninsured
PE	SSA Post-entitlement Process
RB	Railroad Retirement Board
SI	SSI System
VA	Veteran's Administration

<sup>7</sup> If the input SSN is verified and there are multiple SSN's assigned to the individual, up to 5 SSNs are shown. This field is blank if an item is not verified or there are no multiples.

**NOTE:** Further explanation of how the various codes are derived by EVS maybe be found under the enclosed sections Enumeration Verification System Name-Spelling Tolerances and What To Do If The Social Security Number is Not Valid.

## What to do if the SSN is Not Verified

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IF THE SOCIAL SECURITY ADMINISTRATION'S RECORDS ARE WRONG, ONLY THE NUMBERHOLDER CAN REQUEST THAT THE RECORDS BE CHANGED.

Each Social Security Number (SSN) sent on your input file will be returned to you with a Verification Code. If the Verification Code equals **BLANK**, the record agrees with the Social Security Administration's data file. Please annotate your records that this SSN has been verified.

If the Verification Code does **not** equal **BLANK**, do the following:

- Ask to see the individual's Social Security Card to assure that the SSN and name were correctly shown on your input file.
  - If an error was made on your input file, correct your records and resubmit only the corrected SSN and related data to SSA in a subsequent input file. Do not resubmit data that has already been correctly processed.
  - If the SSN card and your input file match, ask the individual to go to the nearest Social Security Field Office to determine the nature of the problem. He/she must take 1 or more forms of identification with them (preferably one should be a picture ID), plus the Social Security card they are currently using.
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**FEDERAL PRIVACY ACT STATEMENT  
FOR USING THE ENUMERATION VERIFICATION SYSTEM (EVS)**

Requester Identification Code: \_\_\_\_\_  
(to be assigned by SSA)

Name and address of agency requesting EVS services:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that the Social Security Administration will verify Social Security Numbers solely to ensure that the records of my clients are correct for the purpose of \_\_\_\_\_.

I also understand that any information that I receive from records maintained by the Social Security Administration is governed by 5 USC 552a(i), the Federal Privacy Act. Under this Act, anyone who obtains this information under false pretenses, or uses it for a purpose other than that for which it was requested, may be punished by a fine or imprisonment or both.

**Please clearly print or type your agency's officer or manager's name and title, and have them date and sign below.**

Name \_\_\_\_\_

Title \_\_\_\_\_

Phone Number \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Mail this statement to:**

**Social Security Administration  
Division of Information, Verification, and Exchange Services  
DCS OEEAS DIVES  
3107-3D2 OPS  
6401 Security Boulevard  
Baltimore, Maryland 21235-0001**

**or FAX to: 410-966-3147**



## Change History

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Date	Reason for Change
03/10/2011	Remove references to tolerances.
11/04/2014	Updated Verification Code definitions.